



Department of Justice

United States Attorney David E. Nahmias
Northern District of Georgia

FOR IMMEDIATE RELEASE

07/29/08

<http://www.usdoj.gov/usao/gan/>

CONTACT: Patrick Crosby

(404)581-6016

FAX (404)581-6160

ORGANIZER, TWO OTHERS SENTENCED IN \$15 MILLION MORTGAGE FRAUD AFFECTING 80 PROPERTIES IN ATLANTA'S WEST END

Atlanta, GA - KEVIN G. WIGGINS, 41, of Ellenwood, Georgia; along with an appraiser, FRANK W. ASTWOOD, 37, of Hampton, Georgia, and an office manager, LYDIA WIGGINS CHRISTOPHER, 59, of Union City, Georgia were sentenced today by United States District Judge Jack T. Camp on charges related to a large-scale mortgage fraud scheme that targeted West End neighborhoods in Atlanta in 2001 and 2002.

United States Attorney David E. Nahmias said of today's sentence, "This case started with concerns from neighborhood activists, which led to a diligent FBI investigation that revealed a scheme using phony rehabs and straw borrowers to steal millions of dollars from mortgage lenders. But the lenders were not the only victims of these crimes: The multiple foreclosed properties had a devastating effect on neighborhoods known for their historic character. These criminals will now go to prison, and we will continue our work to bring to justice others responsible for mortgage fraud."

WIGGINS was sentenced to 8 years, 4 months in federal prison. There is no parole in the federal system. He was also ordered to serve 3 years of supervised release, pay restitution in the amount of \$6,477,164, and perform 200 hours of community service.

ASTWOOD was sentenced to 3 years in federal prison, to be followed by 3 years of supervised release, pay restitution in the amount of \$4,289,575, and ordered to perform 150 hours of community service.

CHRISTOPHER was sentenced to 8 months in federal prison and 8 months to be served in home confinement, to be followed by 3 years of supervised release, pay restitution of \$940,532, and ordered to perform 150 hours of community service.

According to United States Attorney Nahmias and the information presented in court: WIGGINS contracted for the purchase of over 80 distressed properties primarily in Atlanta West End neighborhoods at their true value which ranged from \$24,000 to \$80,000. Then, before he actually purchased the property, he deeded the properties to unqualified straw borrowers, some of whom were his relatives. Using false information about the unqualified straw borrowers, arranged for financing for them and obtained a total of over \$15 million in mortgage loans. When WIGGINS applied for those loans in the names of the straw borrowers, he inflated each property's value by as much as \$100,000 by falsely representing that the properties had been completely renovated or "rehabbed." WIGGINS also claimed the properties were occupied by tenants paying rent in excess of the projected monthly mortgage amount. WIGGINS paid ASTWOOD three times the legitimate appraisal fees to write appraisals that falsely reflected that each property had been rehabbed.

In reverse order of the sequence of events in a legal real property transaction, WIGGINS purchased these properties after he had already "sold" them to the straw borrowers, using proceeds from the "sales" – which came from the fraudulently inflated mortgage loans obtained in the straw borrowers' names – to buy the properties and to pay his appraiser, himself and other coconspirators. WIGGINS operated this scheme through a number of companies he had established, such as "TWF," and "The Wiggins Family." The lenders in this scheme suffered losses totaling approximately \$7 million, and affected West End neighborhood property taxes doubled in part due to the fraudulently inflated property valuations.

WIGGINS, ASTWOOD and CHRISTOPHER were indicted by a federal grand jury in February 2007. WIGGINS pleaded guilty to the charges on October 17, 2007. ASTWOOD pleaded guilty to this mortgage fraud conspiracy on June 14, 2007. CHRISTOPHER pleaded guilty to the charges on February 7, 2008.

This case was investigated by Special Agents of the Federal Bureau of Investigation. The United States Attorney's Office also wishes to thank residents of West End neighborhoods and the "30310 Mortgage Fraud Task Force" for their assistance and support.

Assistant United States Attorney Gale McKenzie prosecuted the case.

For further information please contact David E. Nahmias (pronounced NAH-me-us), United States Attorney, or Charysse L. Alexander, Executive Assistant United States Attorney, through Patrick Crosby, Public Affairs Officer, U.S. Attorney's Office, at (404) 581-6016. The Internet address for the HomePage for the U.S. Attorney's Office for the Northern District of Georgia is www.usdoj.gov/usao/gan.